



August
4th - 13th
Sturgis, South Dakota

The Legend Lives On

Sturgis City Council
December 5, 2016



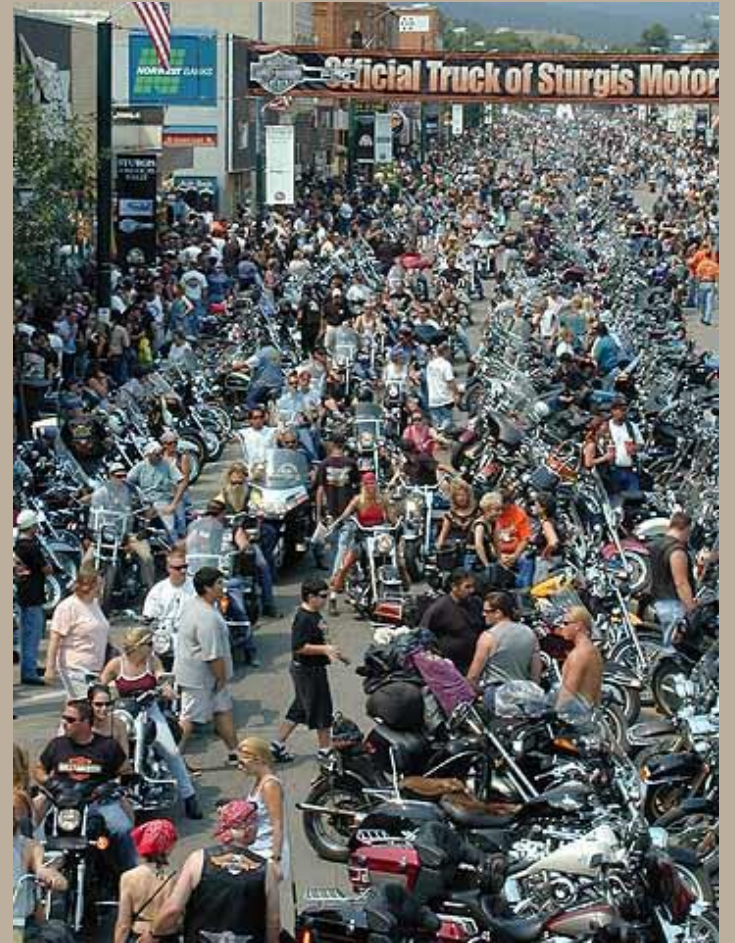
Impacts of Sturgis Rally

- Rally attendees each Spend \$179.00 per day while at the Rally.
- Visitors spend an average of 5.5 days in the Black Hills when they come for the Rally.
- 500,000 people on average attend the Rally each year.



Impacts of Sturgis Rally

- The Black Hills Area receives a Direct Impact of \$492,250,000 per year.
- 25% of visitors spend at least one night in eastern South Dakota resulting in \$31,250,000 of direct impact.
- Total: \$523,500,000 Direct Economic Impact in SD Per Year.



The State of South Dakota uses a 1.5% multiplier to calculate economic impact.

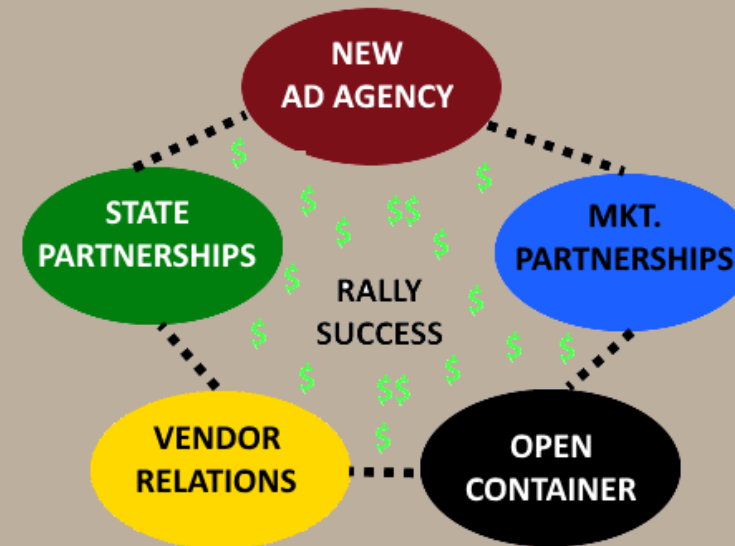
Direct Impact = \$523,500,000
Indirect Impact = \$262,750,000



For a total economic impact of \$785,250,000
2015 total SD GDP was \$45.515 billion
The Rally represents 1.725% of the State's total GDP

We all need to continue to modernize our outreach and expand our services to ensure that the positive impact for South Dakota continues for another quarter century.

1. New Advertising Agency
2. Marketing Partnerships
3. State Partnerships
4. Vendor Relations
5. Open Container



All designed to enhance the Rally and help propel it into the future.

Step 1: New Marketing Agency

Focus efforts on digital advertising

- Affordability per impressions
- Leverage relationships with Sponsors
- Allows significant demographic and regional focus
- Develop a new, more user friendly website



Step 1 cont. **New Marketing Agency**

Council Action – Following the review of numerous proposals, The Homeslice Group is recommended as the new Marketing Agency.

- Affordable (retainer is within the 2017 budget)
- Digitally focused (Google, Snapchat partner)
- Familiar with SMRi, Sponsors, Industry, Sturgis
- Will develop a new website



Step 2: **Marketing Partnership**



Council Initiative-

- After this year's Rally, businesses in other communities asked what Sturgis was going to do to market future Rallies
- City budget includes significant marketing commitment
- Seek to leverage this investment with SMRi, Black Hills Cities, Private Businesses and the State

With a unified effort we all can do more to promote tourism in our state



- The impact from the Sturgis® Motorcycle Rally™ reaches all areas of the State.
- Given the importance of the Rally as one of the most significant drivers of tourism in the State of South Dakota, the City hopes to initiate a new partnership with the State Department of Tourism which will help everyone in the state who relies on tourism for their economic success.
- With a small investment and partnership attitude we can continue to grow and benefit from the largest Motorcycle Rally in the World!
- Significant partnerships are being developed between the City, Private Businesses and SMRi. We will request the state to participate as well.
- Temporary Vendors alone (not hotels, bars, campgrounds) accounts for 3.6% of all of the Dept. of Tourism's Budget or \$494,000 in 2015.

New Marketing Efforts



- Direct Marketing to Attendees
- Direct Marketing to Vendors
- Enhance Social Media Engagement
- Press Engagement (the Rally issues as many press credentials for our one event as the state hosts through FAM Tours in a year)

Reaching our Attendees

- 35% of Rally visitors are first time attendees, which equates to over 175,000 new visitors into South Dakota each year or the equivalent of \$172,000,000 of new money that flows into the state each year.
- 40% of attendees receive their information from the Sturgis® Motorcycle Rally™ website, www.sturgismotorcyclerrally.com which saw over 1,682,000 unique visitors and 9,077,000 page views in 2015.
- 13% of attendees get their information from Sturgis® Motorcycle Rally™ Facebook Page which has over 219,000 people liking the page.
- Over 100 press passes are given out each year to media outlets from all over the world who write about the Sturgis experience and their stay in the Black Hills in their articles, blogs and magazines.



We need to enhance our efforts to ensure that the crowds return!

What would happen to businesses across the state and to state revenue if the Rally only had 100,000 attendees?

Step 3: State Partnership



Council Initiatives –

- Seek to partner with the Department of Tourism on marketing investments
- Seek to have joint communication (DOT Press Release Coordination)
- Need two new pieces of legislation
 - Amendment to require documentation of sales for temporary vendors
 - Elimination of requirement for companies to be an official dealer in order to display vehicles at shows

*We have reviewed legislative ideas with the Dept. of Revenue, they did not have concerns.

Step 4: **Vendor Relations**

Council Action – Recommend adoption of first Reading of Title 31

- Eliminate Map Requirements
- Refine process to seek refunds
- Improve definition of sales space
- Reduce ATM machine license fees

Council Initiative – Ease pre-registration

- With new website, enhance the ability to register on line
- Streamline paperwork needed to register



Step 5: **Open Container**

Council Action – Recommend adoption of Resolution

- Most rallies have open containers to enhance hospitality to visitors
- Several other cultural festivals also have open containers
- Would be largely within the area of Main Street and Lazelle from 4th to Middle (plus the Vets Club) much like other events – comments from businesses ask to expand along Junction
- Malt Beverages and Wine
- Requires an official event cup
 - Reduces the chance of glass and other containers being broken
 - Allows the cups to be removed from retailers if absolutely needed
- Provide a new revenue stream for the Community
- Help to provide a more welcoming environment
- Reduces the number of contacts with Law Enforcement



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Thank You